

The Clubeasy Fund is pleased to advise that it has completed negotiations with the owners of the Clubeasy Group which offers investors in the fund exceptional and consistent performance now and in the years to come.



The Company

The Clubeasy Group is a recognised brand in the student accommodation field (see www.clubeasy.com). Its origins date back to 1982 and it now owns 2,600 student beds and manages a further 1,100 beds for other property companies. Geographically diverse, the group has offices and properties in London, Hull, Loughborough, Lincoln, Exeter and Durham. Further the properties owned by Clubeasy are a solid mix of purpose built accommodation preferred by foreign students and the more traditional house conversions enjoyed by UK based university students. Clubeasy prides itself in that it is a true operational manager with 45 staff providing maintenance, renovation, marketing and other services to students in every city.

Recent History

In 2007, the Arch Group of funds acquired a majority stake in the company. The intention of the Arch Group was to take this family run business and transform it into a more efficient corporate structure while injecting further capital to make the most of its strengths. Most of the targeted changes were successfully made producing a stronger firm with considerable growth potential. This did not come without cost, and a large debt to the Arch funds was accrued by the company.

Unfortunately Arch Funds came under external pressure which saw the suspension of the funds followed by the transfer of management from Arch Group to Channel Island based, Spearpoint Limited who were tasked with winding up the funds. Spearpoint entered into re-structuring discussions with the sponsors of the Clubeasy Fund, who were a minority shareholder. The end result is a debt relief package for the Clubeasy group writing off the entire debt owed to the Arch/Spearpoint funds.

Clubeasy Fund

Clubeasy fund has entered into a two-year joint financing plan—but with a difference. The debt relief mentioned above has left a large equity surplus. A portion of this surplus will be fed into the Clubeasy fund over the next four years. This means that in addition to the income and property appreciation on which other student accommodation funds rely, the Clubeasy fund will have a constant stream of bonus equity flowing in to increase and stabilize the performance for investors. In short, the performance of the fund doesn't rely on what might happen but rather what has already happened!

How does the fund own its assets?

The Fund is buying into a property portfolio to the value of its investment and gaining an additional holding in the Group level company to apportion its bonus from the equity surplus. As such, the fund has diversified holdings in student properties

Key Benefits

- The fund accesses UK student accommodation at a time when the sector is vibrant.
- The company has both growth and income streams from its own operations as well as capital appreciation of the stock.
- The debt relief will support the fund price for some years.

Date	Clubeasy Fund (GBP) Price	Clubeasy Fund (USD) Price		
31 Jul 2009	1.000000			
28 Aug 2009	1.005888	0.589%		
30 Sept 2009	1.027493	2.148%		
30 Oct 2010	1.050575	2.246%	1.000000	
30 Nov 2009	1.057208	0.631%	1.047758	4.776%
31 Dec 2009	1.064795	0.718%	1.054597	0.653%
29 Jan 2010	1.072282	0.703%	1.050582	-0.381%
26 Feb 2010	1.078974	0.624%	1.039808	-1.026%
31 Mar 2010	1.069911	-0.840%	1.033626	-0.595%

Summary

The Clubeasy fund is unique in the student accommodation sector. It benefits from:

- 28 years of continuous operation.
- Geographical diversity with offices and properties in Lincoln, Exeter, Loughborough, Hull, London and Durham.
- Property type diversification with purpose built, terrace and house conversions and other unique developments.
- A long history of reaching 98%+ occupancy each year.
- A solid brand name. Many of our students are the second generation tenants in Clubeasy accommodation.
- Excess equity on the books to smooth the future price as a result of the discussions with Spearpoint Limited the asset manager of the Ex-Arch funds.
- Investors benefit from operating company profits as well as rental income and property value appreciation